



3
Third
Year
Award



Texas Comptroller
Leadership Circle
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(unaudited)
Prepared by
Business Support Services Division

**HIGHLIGHTS
Of
INTERIM FINANCIAL REPORT
At December 31, 2012
and**

**BUDGET AMENDMENT REPORT
for the January 15, 2013 Board Meeting**

**(unaudited)
Prepared by
Business Support Services Division**

Always Taking Care of Business!



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Posted on our website at
[http://www.hcde-
texas.org/default.aspx?name=BusinessServicesHome](http://www.hcde-texas.org/default.aspx?name=BusinessServicesHome)

Linked from State Comptroller's website
<http://www.texastransparency.org/local/schools.php>

2 Awards Update of 7 coming

1. HCDE has received the ASBO – Award for the CAFR and Budget Document for the year ended 8-31-2013. (1)
2. HCDE has received the Letter of Distinction for the Investment Policy for the 2 yr period. (1)

INTERIM FINANCIAL REPORT (unaudited)

GENERAL FUND Balance Sheet at December 31, 2012

	<u>ACTUAL</u>
<u>ASSETS</u>	
Cash and Temporary Investments	\$ 20,490,521
Property Taxes-Delinquent at September 1, 2012	1,072,919
Less: Allowances for Uncollectible Taxes	(32,187)
Due from Federal Agencies	21,052
Other Receivables	2,082,397
Inventories	114,976
Deferred Expenditures	-
Other Prepaid Items	24,665
TOTAL ASSETS:	<u><u>\$ 23,774,342</u></u>
<u>LIABILITIES</u>	
Accounts Payable	20,996
Bond Interest Payable	-
Due to Other Funds	-
Accrued Wages	-
Payroll Deductions	739,969
Due to Other Governments	-
Deferred Revenue	1,069,108
TOTAL LIABILITIES:	<u><u>\$ 1,830,073</u></u>
<u>FUND EQUITY</u>	
Unassigned Fund Balance	13,789,996
Non-Spendable Fund Balance	119,633
Restricted Fund Balance	-
Committed Fund Balance	1,306,000
Assigned Fund Balance	4,579,989
Excess(Deficiency) of Revenues & Other Resources	120,598
Over(Under) Expenditures & Other Uses	-
TOTAL FUND EQUITY:	<u><u>\$ 19,916,216</u></u>
Fund Balance Appropriated Year-To-Date	2,028,053
TOTAL LIABILITIES, FUND EQUITY, AND FUND BALANCE APPROPRIATED TO DATE:	<u><u>\$ 23,774,342</u></u>

INTERIM FINANCIAL REPORT (unaudited)

ASST. SUPERINTENDENT FOR BUSINESS SERVICES' MESSAGE

As of December 31, 2012

The audited projected General Fund balance at 9/1/12 is \$19,225,733

- Assigned \$ 6,024,989
- Unassigned \$ 11,346,883

As of 12-31-2012, the estimated activity is: As the end of the year close is completed, a budget amendment will be submitted to the board for items assigned, restricted and

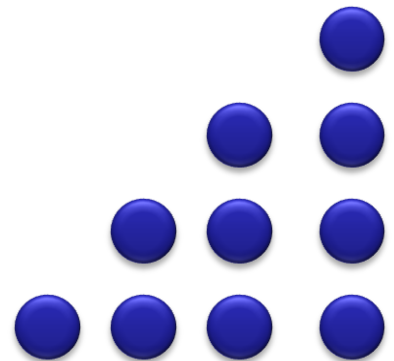
Description	9/1/2011	Appropriated YTD	Estimated Balance
Non-Spendable	119,633	\$ -	\$ 119,633
Restricted	428,228	(428,228)	-
Committed	1,306,000	-	1,306,000
Assigned	6,024,989	(1,445,000)	4,579,989
Unassigned	11,346,883	(154,825)	11,192,058
Total Fund Balance	\$ 19,225,733	\$ (2,028,053)	\$17,197,680

INTERIM FINANCIAL REPORT (unaudited)

As of December 31, 2012

Financial Ratios

- *Level One - Indicator of financial strength*
- *Level Two - Indicator of efficient leverage*
- *Level Three - Indicators of efficiency*
- *Level Four - Indicator of revenue growth*



INTERIM FINANCIAL REPORT (unaudited)

As of December 31, 2012

Indicator of Financial Strength



- Percent of Fund Balance to G/F Expenditures Ratio**

What is the percent of rainy fund balance?

- Working Capital Ratio**

What is the cash flow availability for the organization?

Unassigned Fund Balance 11,192,058

 Total G/F Expenditures 12,233,850

Total Current Assets Less Total Liabilities 21,944,269,

Goal : > 30% of G/F Exp.
 Benchmark: 10% to 29%
 Danger: Under 10%

Goal : >\$15,000,000
 Benchmark : \$10M to \$15M
 Danger : Under < \$10M

91%

Budgeted
31%

\$22 M

Details on Schedule 3

Details on Schedule 1

INTERIM FINANCIAL REPORT (unaudited)

As of December 31, 2012

Indicator of Efficient Leverage Reserves



- Unassigned Fund Balance Ratio**

How much is available in reserves?

Unassigned Fund Balance 13,789,996

Total Fund Balances 19,916,216

Goal : >75%
 Benchmark: 50% to 75%
 Danger: >50%

69%

Details on Schedule 1

- Debt to Income Ratio**

What is the ability of HCDE to cover its debt payments?

Annual Principal and Interest Payments on Term Debt and Capital Leases 2,652,898

G/F Revenue Leases Less Facility Charges 47,668,775

Goal : <25% of annual revenue
 Benchmark : 25% to <49%
 Danger : Under < 50%

5.57%

Debt Payment scheduled for February 2013
 Details on Schedule 5

INTERIM FINANCIAL REPORT (unaudited)

As of December 31, 2012

Indicators of efficiency



- Tax Revenue to Total Revenue Ratio**

How efficient is HCDE at leveraging local taxes?

- Indirect Cost to Tax Ratio**

How much dependency on indirect cost from grants?

Total Tax Revenue 2,996,047

Total Revenue 21,674,221

Indirect Cost General Fund 477,900

Total General Fund Revenues 12,354,449

Goal : < 20% of revenue
Benchmark: 20% to 30%
Danger: More than 30%

Goal : >5%
Benchmark : 2% to 5%
Danger : Under < 2%

13.8%

Budgeted
19%

3.9%

Budgeted
5%

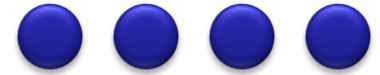
Details on Schedule 2

Details on Schedule 3

INTERIM FINANCIAL REPORT (unaudited)

As of December 31, 2012

Indicator of revenue growth



<ul style="list-style-type: none"> Fee for Service Revenue Ratio How are revenues spread across All Funds? 	<ul style="list-style-type: none"> Fee for Service Revenue Growth Ratio What is the market growth for fee for services?
<p>Total Fee for Service Revenues (G/F) \$7,790,824</p> <p>-----</p> <p>Total Revenues \$21,974,221</p> <p>Goal : > 30% of annual revenue Benchmark: 10% to 29% Danger: Under 10%</p>	<p>Fee for Services Current Year Less Fee for Services Last Year \$7,790,824 - \$7,603,623</p> <p>-----</p> <p>Fees for Service Last Year \$7,603,623</p> <p>Goal : >3% + growth Benchmark : 0% to 3% Danger : Under < 0%</p>

36%

Budgeted
21%

Details on Schedule 13-

2.46%

Budgeted
-4%

Details on Schedule 13-

FY 2012-13 FUND BALANCE – BUDGETED ACTIVITY

FUND BALANCE CATEGORY	Sept 1, 2012- Dec'12 Unaudited	Jan'13	Feb'13	Mar-Jun'13	Aug'13	Est. F/Bal 8-31-13
Inventory	\$112,865					\$112,865
Asset Replace Schedule	864,500					864,500
Bldg & Vehicle Replacement Schedule	711,441					711,441
Carryover encumbrances	0					0
Deferred Revenue –HP Schools	103,300					103,300
Deferred revenues	6,768					6,768
Emp. Retire Leave Fund	1,250,000					1,250,000
PFC Construction	930,000					930,000
Insurance Deductibles	400,000					400,000
NEW Payroll System	250,000					250,000

FY 2012-13 FUND BALANCE – BUDGETED ACTIVITY

FUND BALANCE CATEGORY	Sept 1, 2012- Oct'12 Unaudited	Dec'12	Jan'13	Feb'13	Mar-Apr'13	Aug 13	Est. F/Bal 8-31-13
PFC Lease payment	807,915						807,915
Program start up	565,000						565,000
Local Construction Fund 170	570,000						570,000
QZAB Renovation Projects	0						0
QZAB bond payment	697,833						697,833
Safe & Secure Schools Project	125,000						125,000
Unemployment Liability	56,000						56,000
Total Reserves:	\$7,450,622						\$7,450,622
Unassigned:	11,775,111	(154,925)					11,620,186
Total Est. Fund Balance:	\$19,225,733	(154,925)					\$19,060,808

INTERIM FINANCIAL REPORT (unaudited)

GENERAL, SPECIAL REVENUE, DEBT SERVICE FUNDS AND INTERNAL SERVICE FUNDS

Revenues

Budget to Actual at December 31, 2012

Fund	Budget	Received/Billed	%
General Fund	\$ 45,640,622	\$ 12,354,449	27%
December is the end of the 4th month or approximately 33% of the fiscal year.			
(1) This amount includes accounts receivable billed.			
Special Revenue Funds	43,736,201	7,371,621	17%
Most grant periods differ from fiscal year.			
(2) Grants are on monthly reimbursement basis; subsequently billed			
Debt Service Fund	2,652,898		0%
(3) This fund has activity in February (interest and principal payments) and in August (interest only payment).			
PFC Fund	-	-	0%
Trust and Agency Fund	-	1,753	0%
Worker's Comp. Fund	464,082	139,571	30%
Internal Service Fund	5,811,200	1,806,827	31%
Total as of the end of the month	98,305,003	\$ 21,674,221	22%

INTERIM FINANCIAL REPORT (unaudited)

GENERAL, SPECIAL REVENUE, DEBT SERVICE FUNDS and INTERNAL SERVICE FUNDS

Expenditures

Budget to Actual at December 31, 2012

Fund	Budget	Encumbered/Spent	%
General Fund	\$47,668,775	\$12,233,851	30%
(1) Encumbrances as of the end of the month total.		2,026,653	Encumbrances
December is the end of the 4th month or approximately 33% of the fiscal year.			
Special Revenue Fund	43,736,201	9,566,972	39%
(2) Encumbrances as of the end of the month total.		7,286,911	Encumbrances
Most grant periods differ from fiscal year.			
Debt Service Fund	2,652,898	-	0%
(3) This fund has activity in February (interest and principal payments) and in August (interest only payment).			
PFC Fund	-	-	0%
Trust and Agency Fund	-	3,647	0%
Worker's Comp. Fund	464,082	127,117	27%
Internal Service Fund	5,811,200	2,673,500	46%
Total as of the end of the month	\$ 100,333,156	\$33,918,649	34%

INTERIM FINANCIAL REPORT (unaudited)

FY 2012-13 Donations Report *

All Funds as of December 31, 2012

MONTH	CASH	IN-KIND	TOTAL
September	\$ 2,850.00	\$ 1,447.00	\$4,297.00
October	\$1,186.39	\$3,844.00	\$5,030.39
November	\$1,819.40	\$8,170.74	\$9,990.14
December	\$ 2,700	\$28,038	\$30,738
January			
February			
March			
April			
May			
June			
July			
August			
Total:	\$ 8,555.79	\$ 41,499.74	\$19,317.53

INTERIM FINANCIAL REPORT (unaudited)

RESOURCE DEVELOPMENT ON BEHALF OF HCDE DIVISIONS								
Donor Last Name	Donor First Name	Organization/Division	Site	Sponsored Division	Description of Donation	Cash Totals	In-kind Totals	Totals
Alba	Dayni	Community Investor, The Boeing Co.	HCDE	ECWC	Flow through funds - Education Foundation	\$1,500.00		\$1,500.00
Heisler	Judy		HCDE	ECI Keep Pace	Cynavox M3 Communication System		\$3,000.00	\$3,000.00
Vorwerck	Janet	VSP Vision Care	HCDE	HS	Service - Free eye exam and eyeglasses		\$23,870.00	\$23,870.00
		Katy Visual & Performing Arts Center	HCDE	HS	Book Alive		\$850.00	\$850.00
Pender	Jo	Assistance League of Houston	HCDE	HS	Books		\$318.00	\$318.00
"A Friend"			HCDE	ECWC	Check	\$500.00		\$500.00
Coffman	Paula	Yellow Rose Chapter National Charity League Inc.	HCDE	ECI Keep Pace	Check	\$700.00		\$700.00
TOTALS						\$ 2,700.00	\$28,038.00	\$30,738.00

Legend: ECI=Early Childhood Intervention; ECWC=Early Childhood Winter Conference; HS=Area 1 Head Start

Compiled by: Resource Development
 Note: Reported donations are derived from work performed by HCDE divisions.

11/30/2012

INTERIM FINANCIAL REPORT (unaudited)

TAX COLLECTIONS COMPARATIVE ANALYSIS Fiscal Year-To-Date at December 31, 2012

	August	September	October	November	December
	ADOPTED	ADOPTED	ADOPTED	ADOPTED	ADOPTED
	TAX RATE	TAX RATE	TAX RATE	TAX RATE	TAX RATE
Proposed Collections Tax Year 2012	0.006617	0.006617	0.006617	0.006617	0.006617
Certified Taxable Value per HCAD *	\$ 258,924,593,035	\$ 275,257,461,225	\$ 282,032,945,388	\$ 288,091,840,265	\$ 289,806,812,858
Values under protest or not certified	16,902,509,314	13,749,674,037	8,239,394,016	2,954,479,974	1,519,351,462
	275,827,102,349	289,007,135,262	290,272,339,404	291,046,320,239	291,326,164,320
/ Rate per Taxable \$100	2,758,271,023	2,890,071,353	2,902,723,394	2,910,463,202	2,913,261,643
X Tax Rate	18,251,479	19,123,602	19,207,321	19,258,535	19,277,052
X Estimated 99% collection rate	18,068,965	18,932,366	19,015,247	19,065,950	19,084,282
+Delinquent Tax Collections	250,000	250,000	250,000	250,000	250,000
+Special Assessments	10,000	10,000	10,000	10,000	10,000
+ Penalty & Interest	130,500	130,500	130,500	130,500	130,500
Estimated Current Tax Available	\$ 18,459,465	\$ 19,322,866	\$ 19,405,747	\$ 19,456,450	\$ 19,474,782

INTERIM FINANCIAL REPORT (unaudited)

TAX COLLECTIONS Fiscal Year-To-Date at December 31, 2012

TAX YEAR 2012 COLLECTION SUMMARY					
DESCRIPTION	BUDGET	CURRENT MONTH	Y-T-D	BALANCE (OVER) / UNDER	Y-T-D % OF BUDGET
REVENUES:					
Current Tax	\$18,258,628	\$2,715,587	\$2,986,867	\$15,271,761	16%
Delinquent Tax *	250,000	17,070	71,956	\$178,044	29%
Penalty & Interest	130,500	7,040	33,545	\$96,955	26%
Special Assessments and Miscellaneous*	10,000	278	1,505	\$8,495	15%
Subtotal Revenues:	\$18,649,128	\$2,739,976	\$3,093,873	\$15,555,255	16.6%
DESCRIPTION	BUDGET	CURRENT MONTH	Y-T-D	BALANCE (OVER)/UNDER	Y-T-D % OF BUDGET
EXPENDITURES:					
LESS: HCAD Fees	\$155,000	\$37,779	\$73,676	\$81,324	48%
LESS: HCTO Fees	365,000	68,492	77,308	\$287,692	1%
Subtotal Expenditures:	\$520,000	\$106,271	\$150,984	\$369,016	5%
Net Tax Collections:	\$18,129,128	\$2,633,705	\$2,942,889	\$15,924,271	16.2%

2012 Tax Rate = \$0.006617/\$100 Property Assessment/Appraisal

Tax on a \$200,000 Residential Property = \$13.23 (Without considering any eligible exemptions.)

INTERIM FINANCIAL REPORT (unaudited)

INTERIM CURRENT TAX REVENUE ESTIMATES REPORT

Dated December 31, 2012

	SCENARIO (1) APPRAISED VALUE HCAD	SCENARIO (2) OWNER'S VALUE OWNER REQUESTED	SCENARIO (3) EST FINAL VALUE COMMITTEE RECOMMENDED
Property Use Category Recap-Certified To Date -Report:			
Taxable value	\$289,806,812,858	\$289,806,812,858	\$289,806,812,858
PLUS: Uncertified Roll Summary Report:			
Scenario (1) Appraised value	2,398,790,638	-	-
Scenario (2) Owner's value	-	2,106,061,241	-
Scenario (3) Estimated final value	-	-	1,519,351,462
Total taxable value, Certified and Uncertified:	<u>\$292,205,603,496 (A)</u>	<u>\$291,912,874,099 (A)</u>	<u>\$291,326,164,320 (A)</u>
Calculate Interim Current Tax Revenue Estimate:			
1) (A) divided by 100	\$2,922,056,035 (B)	\$2,919,128,741 (B)	\$2,913,261,643 (B)
2) Current Tax Rate	<u>X 0.006617 (C)</u>	<u>X 0.006617 (C)</u>	<u>X 0.006617 (C)</u>
3) 2013 Interim Current Tax Revenue Estimate, at 100% Collection Rate, (B) X (C)	<u>\$19,335,245 (D)</u>	<u>\$19,315,875 (D)</u>	<u>\$19,277,052 (D)</u>
4) Interim Tax Rev Estimate @ 99% Collection Rate:	<u>\$19,141,892 (E)</u>	<u>\$19,122,716 (E)</u>	<u>\$19,084,282 (E)</u>
Comparison of Interim Tax Rev Estimate @ 99% Collection Rate with Interim Current Tax Revenue Est:			
Interim Current Tax Revenue Estimate Over/(Under)			
Current Tax Revenue, Currently Budgeted:			
Interim Current Tax Revenue Estimate (E)	\$19,141,892 (E)	\$19,122,716 (E)	\$19,084,282 (E)
LESS: Tax Revenue, Currently Budgeted	<u>\$19,258,628 (F)</u>	<u>\$19,258,628 (F)</u>	<u>\$19,258,628 (F)</u>
Total Interim Current Tax Revenue Estimate Over/(Under)			
Current Tax Revenue, Currently Budgeted, (E) - (F):	<u>-\$116,736</u>	<u>-\$135,912</u>	<u>-\$174,346</u>
Total Current Tax Revenue Received, December, 2012, 1993-571100**:	<u>\$3,101,549</u>	<u>\$3,101,549</u>	<u>\$3,101,549</u>

INTERIM FINANCIAL REPORT (unaudited)

DISBURSEMENTS – ALL FUNDS

December 2012

DESCRIPTION	DISBURSEMENTS	AMOUNT
All Funds	629 Checks	\$1,710,935.69
P Card – November 2012	414 Transactions	\$56,091.51
Bank ACH - payroll liabilities	3 Transfers	\$1,389,409.54
	Total:	\$3,156,436.74

Notes:

(A) All Purchase Orders and Payment Authorizations are reviewed before disbursement.

(B) All Procurement Card charges are reviewed by cardholder, supervisor, and business office staff each month.

(C) A report on CH Local expenditures is included in the monthly report.

INTERIM FINANCIAL REPORT (unaudited)

	<u>Revenues</u>	<u>Tax Subsidy</u>	<u>Expenditure and Encumbran</u>	<u>Includes Tax subsidy Variance</u>	<u>w/o Tax Profit Ratio</u>	<u>Profitability Variance</u>
<u>Alternative Certification</u>						
014-Alternative Certification	\$ 47,608	\$ -	\$ 69,525	\$(21,917)	-46%	\$(21,917)
<u>Choice Partners Cooperative</u>						
089-Job Order Contracts-Choice Facility Partners	378,420	-	636,466	(258,046)	-68%	(258,046)
955-Gulf Coast Food Cooperative	327,468	-	85,791	241,677	74%	241,677
951-Purchasing Cooperative	203,040	-	90,941	112,099	55%	112,099
	<u>908,928</u>	<u>-</u>	<u>813,198</u>	<u>95,730</u>	<u>11%</u>	<u>95,730</u>
<u>Records Management</u>						
954-Records Management	517,307	-	595,251	(77,944)	-15%	(77,944)
<u>Special Education - Therapy Services</u>						
111-Special Education - Therapy Services	2,447,743	128,514	2,585,010	(8,752)	-6%	(137,267)



**HIGHLIGHTS
Of
BUDGET AMENDMENT REPORT**

**January 15, 2013
Board Meeting**



(unaudited)

Amendments

General Fund = \$ 304,399

Special Revenue Funds = \$ 1,185,483



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INTERIM FINANCIAL REPORT (unaudited)

FY 2012-13 BUDGET AMENDMENT REPORT

January 15, 2013

General Fund

GENERAL FUND (199)

Department Wide

Increase expenditures-Unassigned Fund Balance-Cover Professional Svcs Contracts and Legal Fees	\$	300,000
Increase revenue and expenditures-Indirect Cost-Revised NOGA 21st Century Cycle 6	\$	4,399
Total Department Wide		304,399

Choice Partners Cooperative & Purchasing Cooperative

Increase expenditures-Transfer Budget for Employee Transferred to Choice Ptnrs Cooperative		47,990
Decrease expenditures-Transfer Budget for Employee transferred from Purchasing Cooperative		(47,990)
Total Choice Partners Cooperative & Purchasing Cooperatives		0

Total GENERAL FUND:

\$ 304,399

INTERIM FINANCIAL REPORT (unaudited)

FY 2012-13 BUDGET AMENDMENT REPORT

January 15, 2013

General Fund

SPECIAL REVENUE FUND

Cooperative for After School Enrichment (CASE)

Increase revenues & expenditures-21st Century Cycle 6 Revised NOGA (Fund 267-3)	195,485
Increase revenues & expenditureslocal Houston Endowment 2nd Year (Fund 463-3)	989,998
Total CASE	<u>1,185,483</u>

Total SPECIAL REVENUE FUNDS:

\$ 1,185,483

INTERIM FINANCIAL REPORT (unaudited)



I certify that the foregoing information is true and accurate to the best of my knowledge.

/s/ Jesus J. Amezcua, CPA, Asst. Supt. for Business Support Services

/s/ Rosa Maria Torres, Chief Accounting Officer

/s/ John Weber, MBA, RTSBA, Accounting and Reporting
Compliance Officer

/s/ Antonia Yvette Hamm, RTSBA, Accounting Manager

Q & A



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